(b) if so, what steps Government have taken to reduce the expenditure on the non-Plan sector and to improve the country's economy?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) This Ministry is informed that the Chairman, Ninth Finance Commission had referred to the growing revenue expenditure of Central and State Governments and not to non-Plan expenditure in particular.

(b) It is always the endeavour of the Government to keep non-developmental expenditure to the minimum necessary and take all possible steps to improve the country's economy.

Financial Activities of Investment and Leasing Companies

*194. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of investment and leasing companies violating all the legal provisions and of investing their money in other speculative business instead of in Government securities;

(b) whether it is a fact that financial activities of Peerless General Finance and Investment Company have recently been investigated; and

(c) if so what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) In terms of the Non-Banking Financial Companies (Reserve Bank) Directions, 1977, as amended from time to time, issued by the Reserve Bank of India, an "Investment Company" means any company which is a financial institution carrying on as its principal business, the acquisition of securities. An "Equipment Leasing Company" is defined as a company which is a financial institution carrying on as its principal business, the activities of leasing of equipment or the financing of such activity. Reserve Bank of India (RBI) has reported that, while the acceptance of deposits by the Investment and Equipment Leasing Companies is regulated by the RBI in term of the provisions of these directions, only the "Equipment Leasing Companies" are required to keep a minimum of 10 per cent of their deposits either in an account with a scheduled bank or in approved securities. In so far as the Investment Companies such as Peerless General Finance and Investment Company Ltd. etc., conducting benefit|savings schemes are concerned, such companies are classified by RBI as "Residuary Non-Banking Companies". In terms of the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987, issued by the RBI in May, 1987, a residuary non-banking company is required to invest (i) in fixed deposits with public sector banks (ii) in approved securities and (iii) in other safe investments in the ratio of 10:70:20.

2. RBI has further reported that it had conducted last year a quick inspection of some of the residuary non-banking companies which revealed *inter-alia*, that several companies had not taken steps to provide their investments in the manner prescribed in directions. RBI is taking action as appropriate for compliance of the directions by these companies.

3. RBI has not so far conducted any detailed inspection of the Peerless General Finance and Investment Company Ltd., Calcutta consequent to the issue of Residuary Non-Banking (Reserve Bank) Directions, 1987.

Sale of Goods purchased from India by Bofors to other countries

*195. SHRI LAL K. ADVANI:
SHRI ASHWANI KUMAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that under the Memorandum of Understanding, Bofors is entitled to sell the goods purchased by it from India to offer parties/countries;

(b) if so, what are the reason for which India do not prefer to sell their goods to such parties/countries directly and eliminate the commission of Bofors for its services;

(c) whether it is also a fact that Bofors could do better trade for India than STC; if not, what was the compulsion to involve Bofors in India's trade with other countries; and

(d) what is the estimated amount of trade under the M.O.U.?

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) to (d) Under the M.O.U., Bofors and their nominees are allowed to sell the goods to other countries, subject to certain restriction on destination. India prefers to sell directly as much goods as possible to other countries. The purchases to be made by Bofors open up further outlets for Indian goods. No commission is payable by STC to Bofors for its services.

STC has a wide marketing network for exports. M/s. Bofors will fulfill the obligations for counter trade under the MOU signed with STC, thereby providing additional outlet for Indian goods.

In terms of the MOU, contracts for Rs. 17.89 crores for export of Indian goods have been concluded and exports worth Rs. 6.19 crores effected till 15th February, 1988. By March 1995, total exports from India are expected to be approximately Rs. 800 crores.

Export to Japan

*196. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that during his visit to this country sometime in November, 1987, the Deputy Foreign Minister of Japan, Mr. Hiroshi Kitamura had suggested to the Government of India to take advantage of the appreciation of the Yen and lower tariff barriers to push up exports to Japan;

(b) if so, what are the details thereof; and

(c) what follow-up action has been taken by Government in the matter?

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) and (b) During the official level trade talks in November, 1987, the Deputy Minister of Japan Mr. Hiroshi Kitamura briefly indicated the recent changes in the Japanese economy as a result of the Appreciation of the Japanese yen. He stated that the Japanese Government had initiated policies to promote imports and to improve market access into Japan. This included dismantling of non-tariff barriers and improvements in GSP.

(c) Follow-up action by Government includes initiation of export promotion measures for items for which market access into Japan has been improved as well as encouraging Japanese companies to invest in export-oriented projects in India.

Deployment of Helicopter for Anti-Smuggling Operations in Rajasthan

*197. SHRI JASWANT SINGH: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that in December, 1987, the Prime Minister had announced that helicopters would be provided to the Border Security Force for anti-smuggling operations;

(b) if so, how many helicopters have since been provided to the BSF and deployed in the Rajasthan sector for the purpose; and

(c) if the helicopters have not yet been provided, what are the reasons therefor?

THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH): (a) to (c) The Prime Minister has mentioned about the desirability of providing some light fixed